



ADDING VALUE THROUGH HRM: A TOOLKIT FOR DIVERSITY MANAGEMENT

Programme for the Practice of Diversity Management

**Department of Immigration and Multicultural Affairs in Cooperation with the
Australian Centre for International Business**

ADDING VALUE THROUGH HRM: A TOOLKIT FOR DIVERSITY MANAGEMENT

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Janine O'Flynn
*Research Fellow, Australian Centre for
International Business*

André Sammartino
*Research Fellow, Australian Centre for
International Business*

Karen Lau
*Research Officer, Australian Centre for
International Business*

Professor Stephen Nicholas
*Co-Director, Australian Centre for
International Business*

Foreword

The Programme for the Practice of Diversity Management has produced a series of Business Models and accompanying Toolkits. This Toolkit explains how firms can add value to their bottom line through effective diversity management and human resource management.

Other Resources for Diversity Management:

The Business Case:

HRM Case
Knowledge Firm Case
International Business Case
Marketing Case
Theory of Diversity and Group performance

Business Models:

Diversity Management: the Big Picture
Managing Diverse Human Resources Effectively
Expatriate Management
Capturing the Diversity Dividend
Going Global
Adding Value through HRM

Toolkits:

Attract, retain and motivate
Keys to Expatriate Success
Adding Value through HRM
Using Diversity Climate Surveys

Diversity Management in Australia – the State of Play

Capturing the Diversity Dividend
Report to Business on Aboriginal Employment

PROGRAMME FOR THE PRACTICE OF DIVERSITY MANAGEMENT

The Programme for the Practice of Diversity Management is a collaborative arrangement between the Department of Immigration and Multicultural Affairs (DIMA) and the Australian Centre for International Business (ACIB) funded through DIMA's Productive Diversity Partnership Programme.

The mission of the Programme for the Practice of Diversity Management is to meet the practical needs of business by developing a business case for productive diversity, providing Business Models for diversity management, and creating Toolkits and checklists for assessing diversity.

The Programme invites your firm to become a member of the electronic diversity network, which brings Australian business together to promote good diversity practices.

Join the diversity network on-line at www.ecom.unimelb.edu.au/acib/diverse/

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Introduction to the Adding Value through Human Resource Management Toolkit

The Programme for the Practice of Diversity Management's *for Adding Value Through HRM: A Business Model for Diversity Management* outlined how diversity management and human resource management can add value to a firm's bottom line. The Model demonstrated that firms can harness the diversity of their workforce to improve performance.

The *Business Model* identified seven action areas with associated key steps. The action areas are:

1. Top management
2. Auditing
3. Strategic goal setting
4. Training, education and awareness
5. Promoting superior performance
6. Improving individual outcomes
7. Employer of choice strategies

This Toolkit focuses on three of these action areas:

1. Training, education and awareness
2. Promoting superior performance
3. Employer of choice strategies

Other action areas are covered in additional Toolkits. The *Engaging Senior Managers: A Toolkit for Diversity Management* incorporates the top management action area from this Toolkit. The auditing action area is covered in the *Using Diversity Climate Surveys: A Toolkit for Diversity Management*. The strategic goal setting action area is covered in the *Strategic Goal Setting Toolkit*. *Attract, Retain and Motivate: A Toolkit for Diversity Management* encompasses the improving individual outcomes action area.

This Toolkit outlines key steps under the heading of *Adding Value Through HRM*. They comprise:

Training, education and awareness

1. Raise awareness within the organisation
2. Establish training programme
3. Undertake training
4. Evaluate training
5. Integrate training

Promoting superior performance

6. Promote team trust and interdependence
7. Provide appropriate team training
8. Foster creative abrasion
9. Increase team autonomy

Employer of choice strategies

10. Recognise and respond to demographic changes in the labour market
11. Be aware of decision factors for high performers and high potentials
12. Develop employer of choice programmes

This Toolkit provides strategies for implementing these key steps.

Briefing notes

Human Resource Management Defined

Human Resource Management (HRM) is an approach to managing the human resources of organisations. HRM recognises that human resources contribute significantly to the goals of the organisations. HRM encompasses several functions and activities to ensure that human resources are used effectively and fairly for the benefit of the individual, the organisation, and society.

There are five HRM functions and activities that organisations generally employ. *Human resource planning* involves short-term and long-term planning and forecasting for the organisation's human resource requirements. It also involves analysing jobs within the organisation to identify duties, purpose, skills, knowledge and abilities requirements. *Staffing* the organisation involves recruitment and selection of people to meet the organisation's needs. *Appraisal and remuneration* entails the design and implementation of how employees are assessed and rewarded for their work. *Improving* employees' performance and the work environment include training and development, quality of work life and productivity strategies, and occupational health and safety policies. *Establishing and maintaining* effective working relationships implies understanding employee rights. This includes management of bargaining and grievance procedures, often, with union representatives.

Briefing notes

Productive diversity defined

Diversity is used to refer to the multiple characteristics that capture difference in an individual. These characteristics are broadly categorised into observable and unobservable characteristics. Observable and unobservable characteristics include race, ethnicity, gender, age, tenure, functional background, sexual orientation, socio-economic status, education, physical and mental ability, values, and attitudes. The recognition of the complexities of 'diversity' as a multivariate concept forms part of the agenda for better understanding the complexity of productively managing diversity at work.

Productive diversity management concerns itself with managing teams with diverse members to better communicate with one another. To sustain and develop competitive positions, Australian firms turn to their human resources for creativity and innovation. Creativity and innovation rests on the acquisition, dissemination and reaction to new knowledge. The success of this process depends on the employees' ability to share their diverse ideas and insights. Diverse teams have the potential to see problems from many different perspectives, contributing to enhanced decision-making, problem solving, and innovation. However, dysfunctional in-group and out-group behaviour may repress diversity capabilities. In-group or majority group members tend to marginalise out-group members, capping the potential pool of information. Dissatisfied out-group members tend to be less committed and more likely to engage in withdrawal activity. To achieve the HRM objectives of attract, retain, and motivate, Australian firms must adapt their HRM strategies to the diversity demands of their work force.

Briefing notes

The value of productive diversity

In addition to HRM cost reduction and minimisation benefits, there are clear performance benefits to be captured from diversity management. Once employees experience improved quality of work life, their contribution to decision-making and problem solving increase. As the group develops diversity capabilities, it is more likely to access and utilise latent information for enhanced creativity and innovation. These improvements flow through to bottom line benefits for the organisation.

The information and decision-making perspective purports that diversity is beneficial for group performance. Diversity will bring new knowledge, skills, information, and unique perspectives to the group. Diversity brings to the group greater potential access to information that can promote creative and innovative behaviour, enhancing decision-making, creativity and innovation. The information and decision-making approach predicts three positive diversity effects on group processes: diversity will increase the cognitive processing demands of work groups; diversity will improve analysis in the group, leading to more careful analysis of issues; and diversity will lead to better use of information in the work group. However, harnessing the diversity dividend rests on the ability to manage productive diversity.

What are Toolkits?

A Brief Guide to using this Toolkit

The Programme for the Practice of Diversity Management has developed a range of Toolkits to provide guidance to and examples of the potential paths to effective diversity management.

The Business Models are targeted at HR Managers and Senior Managers to assist in developing a strong business case argument to present to their CEO, their Board and their line/business managers.

The Toolkits are designed to assist in the operationalisation of the commitment to diversity management. The target audience is those individuals with functional responsibilities in the relevant areas e.g. HR, recruitment and training officers.

Each Toolkit involves a number of action areas and/or key steps. Action areas tend to reflect a particular set of functional requirements e.g. recruitment, expatriate selection, training and awareness. The key steps represent a potential implementation strategy in that area.

Each Toolkit is related to at least one of the Business Models. Often it will be more. A number of the Business Models suggest action areas and key steps from more than one Toolkit.

As there is often crossover, rather than replicate an action area or key steps, the Toolkits will, where appropriate, refer the reader to another of the Programme's Toolkits. All Toolkits will be available from the Programme's website.

Step one: Raise awareness within the organisation

The purpose

- To build support for diversity management
- To build a common understanding of the value of diversity
- To generate a rationale for diversity training

The process

- Assess diversity climate
- Develop diversity policy
- Build a Business Case
- Engage Senior Management
- *Win* the resource battle

Assessing the diversity climate

Before launching any strategy to raise awareness it is crucial that there be a clear understanding of the baseline level of awareness within the organisation.

An appropriate gauge of the level of awareness and also the sort of issues that will need to be tackled through training, organisational change and other diversity management strategies.

The Toolkit *Using Diversity Climate Surveys* provides a lengthy guide to the process involved in running a survey and using the data.

Developing diversity policy

An effective way to generate some interest and raise awareness of diversity management is to launch a company diversity policy. This will need to be done in a strategic fashion. The value of imposing a policy unwittingly or unilaterally on employees will need to be weighed against

the value of consultation and inclusiveness. An example of a diversity policy is offered in [Briefing Note A Diversity Policy Template](#).

Building a Business Case

Any training will involve a cost, whether it is the cost of engaging an external trainer, or the cost of the *downtime* while employees are off on training. As such, a set of arguments will need to be made to senior management and line management that there is a payoff from the training.

Using the Business Model *Adding Value through HRM*, develop a business case for investing in diversity training in a range of areas, e.g.:

- Improved decision-making
- Superior problem-solving
- Greater innovation and creativity
- Better information-sharing
- *Constructive* conflict
- Becoming a knowledge firm or learning organisation
- Increased productivity

Attempt to quantify the gains in some fashion or set targets. Match these up with the Key Performance Indicators within the organisation.

For example, indicate the savings from reduced absenteeism and turnover (see Business Model *Managing Diverse Human Resources Effectively* for examples of costings) and the productivity targets being set. Monitor the outcomes from initial training programmes and feed these data back into subsequent business cases and targets.

Engaging senior management

Key to raising awareness is getting diversity on the radar of senior management. It is crucial that resources are allocated in the area and some importance placed on it publicly.

The Business Model *Engaging Senior Managers* and the Toolkit *Engaging Senior Managers* provide strategies for achieving these goals.

Winning the resource battle

The aim of the awareness raising, building a Business Case and engaging senior management is attracting the necessary resources internally to run such programmes as awareness training, undertake organisational change strategies and, perhaps, establish working parties, committees or networks. Further information on this step is also provided in the Toolkit *Engaging Senior Managers*.

Briefing notes

A Diversity Policy Template

Below is a sample diversity policy. Firms wishing to establish a diversity policy are invited to use the ideas contained in this template and modify them to suit the individual character of the firm

Diversity vision

[] recognises its talented and diverse workforce as a key competitive advantage. Our business success is a reflection of the quality and skill of our people. [] is committed to seeking out and retaining the finest human talent to ensure top business growth and performance.

Diversity management benefits individuals, teams, our company as a whole, and our customers. We recognise that each employee brings their own unique capabilities, experiences and characteristics to their work. We value such diversity at all levels of the company in all that we do.

[] believes in treating all people with respect and dignity. We strive to create and foster a supportive and understanding environment in which all individuals realise their maximum potential within the company, regardless of their differences. We are committed to employing the *best* people to do the *best* job possible. We recognise the importance of reflecting the diversity of our customers and markets in our workforce. The diverse capabilities that reside within our talented workforce, positions [] to anticipate and fulfill the needs of our diverse customers, both domestically and internationally, providing high quality products/services.

[] is diverse along many dimensions. Our diversity encompasses differences in ethnicity, gender, language, age, sexual orientation, religion, socio-economic status, physical and mental ability, thinking styles, experience, and education. We believe that the wide array of perspectives that results from such diversity promotes innovation and business success. Managing diversity makes us more creative, flexible, productive and competitive.

Briefing notes

A Diversity Policy Template (continued)

Recruitment

As a global player, [] recruits people from all around the globe. We believe that our employees from many different cultural, linguistic and national backgrounds provide us with valuable knowledge for understanding complex international markets. We have established outreach programmes to identify talented women and individuals from under-represented backgrounds for recruitment. We provide scholarships for promising young women and under-represented status students with the potential to become high achieving professionals in [].

Career development and promotion

[] rewards excellence and all employees are promoted on the basis of their performance. All managers are trained in managing diversity to ensure that employees are treated fairly and evaluated objectively.

Community programmes

[] recognises that there are distinct demographic groups that have long been disadvantaged. We recognise that racism, ageism, sexism and other forms of discrimination are problems both for our organisation and society as a whole. [] is committed to tackling cultural stereotypes both within and outside our organisation. We have clear reporting procedures for any type of discrimination or harassment combined with follow-up procedures to prevent future incidents.

[] combats discrimination in the wider community through partnerships with community based groups. We work closely with [.....].

Diversity bodies

Our commitment to diversity is led by our diversity champions who come from all levels of the company, from top management to the shop floor. The diversity champions make up a diversity committee, which is responsible for ensuring that our diversity policy is articulated in the day to day running and the strategic direction of the company.

Briefing notes

A Diversity Policy Template (continued)

Diversity practices

All employees undergo diversity training. Diversity training encompasses raising awareness about issues surrounding diversity and developing diversity management skills.

[] provides a safe and pleasant environment for our employees. We offer:

- Flexible working time arrangements
- Employee education assistance
- Employee network and support groups
- Open communications
- Childcare assistance
- Mentor programmes

Step two: Establish training programme

The purpose

- To promote a positive attitude toward workplace diversity
- To develop necessary skills to reap the *diversity dividend*

The process

- Identify specific training need(s) of employees from climate survey
- Design appropriate training material(s)
- Identify appropriate delivery mode(s)

Identifying specific training needs

The climate survey will identify areas that most need attention. For example, the survey may indicate an environment of conflict and distrust. Exercises would need to be developed that tackle such issues.

The survey can also be used to identify the level of diversity awareness, skills or concerns of particular groups of employees within the organisation. These groups may be defined along any of the diversity dimensions e.g. gender, ethnicity, functional area, age, and hierarchical level. Again the training should aim to address these areas of concerns and to develop and build upon existing strengths.

Clearly state the training goals.

Designing appropriate training material

The training curricula need to be designed to address the needs of the organisation and the individuals. It should be targeted at the audience in a fashion that addresses the concerns they have raised in the climate survey.

The material will be most effective if it presents issues within a familiar and relevant context for the participants. In particular, training which

also addresses the functional requirements of individuals will be better received and more effective.

For example, training in *Getting the most out of teams* will appeal to those finding themselves in conflictive team situations. *Recruiting from diverse groups* may appeal to HR officers that have been presented with recruitment targets that are proving difficult. A course in *Improving communication skills* may open up discussion among managers as to the needs of their diverse work groups.

Identifying appropriate delivery modes

The training needs to be delivered in an effective fashion. Diversity training done badly can have disastrous effects as it can raise a number of sensitive issues and open people up to substantial criticism. These dangers need to be acknowledged and addressed.

Qualified diversity trainers, rather than internal staff should deliver training. Firms such as Diversity@work specialise in the delivery of diversity-related training and also staff placement (See [Case Study - Diversity@work – Solutions through diversity](#)).

Firms must also consider, in consultation with trainers, the most appropriate mode of delivery for the groups of organisation members involved:

- Is on-site or off-site training better suited to the group of employees?
- Should the training be done in a single block, or over time?
- Are there some modules that all staff should do?
- When should the training occur – at induction, upon take up of promotion, yearly?
- Are video training modules useful?

Case Study

Diversity@work – Solutions through diversity

Diversity@work collaborates with companies to make it easier for them to develop and implement diversity in their workplaces.

Diversity@work provides a convenient cost-free solution for employers and recruiters seeking to hire people with a disability and Indigenous people. They offer low cost cross cultural and disability awareness training, as well as a conflict resolution service and information on the benefits of hiring and retaining older workers.

Many companies are finding solutions to persistent workplace issues through workforce diversity. Outcomes include: bringing new perspectives to company planning; demonstrating a commitment to the reconciliation process; accessing new markets; developing a more stable, reliable and dedicated workforce (particularly in remote locations); and minimising opportunity for litigation through a demonstrated commitment to Equal Employment Opportunity. They are actively employing Indigenous jobseekers and people with a disability.

People with a disability make up 19% of the Australian population, representing a significant customer base. This is 15% of the potential workforce, or more than one million people, with a spending power of \$26 billion each year in Australia.

Diversity@work has quick and easy access to more than 3,000 people with a disability and 1,500 Indigenous jobseekers across Victoria. The applicants are keen and ready to work, and represent a significant, and relatively untapped pool of talent, particularly when companies are having trouble accessing suitable candidates.

Diversity@work can work either directly with the employer, or through their recruitment suppliers, and pre-screens all applications. All industries, including management, sales, hospitality and administration, as well as labourers and factory hands, have positions that people with a disability and Indigenous people have.

To make it easier for employers, Diversity@work has developed two comprehensive training packages, *Opening the Door for People with a Disability*, and *Cross-Cultural Awareness*.

Opening the Door has been specifically designed to enable participants to develop their own disability action plan and access the advantages of employing people with a disability. It is the most comprehensive disability-training package generally available, and has been designed specifically for people working in Human Resources.

The *Cross-Cultural Awareness* package addresses many of the stereotypes employers may hold in relation to Indigenous culture. The training looks at the impact of European settlement on Indigenous culture and why this needs to be linked to companies' employment policies.

Diversity@work suggests companies adopt an Indigenous Employment Policy before recruiting. This ensures Indigenous people are included in the development and implementation of Human Resource planning. Diversity@work can also assist employers develop a Disability Action Plan, to protect and build their business.

Once a placement is made, Diversity@work will provide ongoing support if needed by either party. Diversity@work is funded by the Federal Government to assist companies diversify their workforce.

Step three: Undertake training

The purpose

- To deliver training in the most effective fashion
- To improve diversity management skill levels across the organisation

The process

- Undertake generalist training setting out diversity benefits and challenges
- Deliver specific training to suit functional needs of groups of workers

Undertaking generalist training setting out diversity benefits and challenges

Generalist training provides the opportunity for staff to understand the benefits and challenges of workplace diversity. Generalist diversity training should be provided for *all* staff. Essentially it should involve the setting out the business case, which incorporate both the potential benefits and the potential challenges of difference. It is important to ensure that, at this stage, there are clear links made between the firm's commitment to valuing diversity, corporate and business unit strategy, and bottom line outcomes.

The mode and content of training packages is best determined by training specialists in conjunction with training managers.

Delivering specific training to suit functional needs of groups of workers

In consultation with qualified training experts, training managers should tailor training to the functional needs of groups of workers. Needs across the organisation will vary, and training should be linked to functional needs, business strategy and clear bottom line outcomes.

Clear links between training and outcomes are required and provide the impetus for involvement and attracting resources.

For some groups of workers, cross-cultural communication training may be pertinent, whilst for others conflict and negotiation skills may be required. A tailored approach to training is the key, with input from training professional, line managers and potential participants critical to success.

Endeavour to make the training as relevant as possible to the functional needs of the individuals involved. Employees should not feel like they have had diversity *done* to them, but rather that they have been provided with further skills to make the most out of their role.

Step four: Evaluate training

The purpose

- To assess the quality of training
- To communicate the success of training
- To establish new diversity management vision

The process

- Seek employee feedback on training
- Re-survey diversity climate
- Compare data
- Applaud successes
- Identify weaknesses/areas for improvement
- Set new targets

Seeking employee feedback on training

An important tool in the evaluation of any training is employee feedback. Feedback should be timely and feed back in to the training package and programme. Feedback should be a continuous process that seeks to improve the delivery of training programmes.

It is important to seek feedback at different times, for different reasons. Feedback can be sought at:

- The conclusion of the training period to evaluate the package
- After return to the workplace to gauge immediate effects
- After a set period of time (e.g. three months, six months, one year) to gauge long-term effects

Re-surveying diversity climate

Following the delivery of diversity training it is important to conduct another diversity climate survey to test the power of the training

provided. One of the important aims of diversity training is to improve the diversity climate within the firm, hence re-surveying staff provides a measure of the success of training. The tools for conducting the diversity climate survey are contained in *Using Diversity Climate Surveys: A Toolkit for Diversity Management*.

Comparing data

The re-survey of staff following diversity training allows firms to compare the diversity climate pre- and post-training allowing for a measure of effectiveness. Managers should compare the climate survey results taken after training with the survey results pre-training to measure improvements, deterioration or problem areas.

Surveying after training also allows the firm to plot or chart success and benchmark internally.

Applauding successes

An important part of measuring outcomes is the commitment to applaud success within the organisation. Diversity climate surveys provide managers with a reading of the health of the organisation, and repeat surveys allow managers to identify improvements. At all times, improvement and success should be applauded and celebrated within the organisation. The involvement of senior managers in applauding and celebrating success is crucial and sends an important signal to organisational members about the importance of diversity management.

If individual business units, divisions, areas or teams have been successful in improving the diversity climate, they should be applauded publicly, for example, in newsletters or at special ceremonies.

Identifying weaknesses/areas for improvement

As well as the identification and recognition of success, an important part of the evaluation process is the identification of areas for

improvement. The training feedback mechanisms put in place provide the tools for identifying areas for improvement.

Setting new targets

The final stage of the evaluation process is the identification and setting of new training targets. The training targets should reflect the areas for improvement identified in the evaluation process, and emerging needs in the organisation.

Targets should be clearly linked with business unit and corporate strategy, and bottom line outcomes.

Step five: Integrate training

The purpose

- To *mainstream* diversity management training
- To remove danger of resourcing loss
- To develop diversity management capabilities

The process

- Evaluate curricula of other employee training
- Identify sources of advantage from integration of diversity management skills into curricula
- Include diversity awareness in orientation/induction training
- Wind down specific diversity management training

One of the long-term aims of diversity management should be the integration of diversity-specific training into other training schemes. This deals with the problem of people believing they have 'done' diversity training, and its distinction from other functions or activities in the organisation.

Evaluating curricula of other employee training

Consider the curricula contained in other employee training within the organisation:

- Is there scope for including diversity in that curricula rather than running diversity training separately?
- For example, in team training, can the conflict and negotiation strategies training cover topics such as personal difference and conflict, or the benefits of diversity and constructive conflict?
- Another would be including the crosscultural interviewing skills discussed in *Attract, Retain and Motivate: A Toolkit*

into the core curriculum of training for interviewers, rather than only providing it as part of diversity training.

Clearly diversity affects many ways in which the organisation operates, and the examination of other training programmes allows diversity issues to be mainstreamed. Integration also ensures on-going diversity training, without the need to constantly fight for specific diversity training resources over the long-term.

As stated in Step three, employees should not feel like they have had diversity *done* to them, but rather that they have been provided with further skills to make the most out of their role.

Identifying sources of advantage from integration of diversity management skills into curricula

Following an examination of current training contents, managers should identify sources of advantage from the integration of diversity management skills with other employee training programmes. Sources of advantage will vary across firms and units within them, however some potential sources of advantages include:

- Reduced cost of training
- Less training *down-time*
- Mainstreaming of diversity issues
- The recognition of the importance of diversity across functional areas
- The realisation that diversity impacts on the way the organisation and its people function in many ways

Include diversity awareness in orientation/induction training

Managers should include diversity awareness training as part of the induction process. Clearly setting out the firm's diversity vision and strategy ensures new entrants are aware of the firm's values and expectations.

Diversity awareness training at the induction stage provides a common understanding of the firm's conceptualisation of diversity, difference, the value of diversity and the benefits and challenges that workplace diversity brings. It should reduce the need to present subsequent diversity training as in any way remedial or corrective.

Wind down specific diversity management training

Over time, as diversity training is integrated with other training programmes, specific diversity training can be wound down. Firms, however, should be prepared to provide specific diversity training if required, or requested. However, the long-term aim is to integrate diversity training into other training so diversity is not viewed as adjunct to the other functions of the organisation.

Introduction to the Promoting Superior Performance Action Area

The key to promoting superior problem solving and decision-making, creativity and innovation is the exchange of ideas, knowledge and information between organisational members. It is the diversity of ways of seeing the world, information and knowledge that leads to a cross-fertilisation of ideas and which provides the basis for the *value in diversity* argument.

Team-based structures are seen as the best avenue for adding value through diversity. Fostering successful team performance requires trust and interdependence, which is addressed in step six in this Model. It is important for managers to realise, however, that the development of trust and interdependence requires time.

Awareness training addressing the causes and effects of status hierarchies is important for team members to ensure they are conscious of:

- Why certain individuals are assigned high or low status in the group
- Why some members do not contribute their ideas or thoughts
- Why different people are constructed as qualified or unqualified in social or work settings

Training focussed on understanding how different people think is important for promoting collaboration and communication.

Trust and interdependence formed over time provides the foundation for risk-taking and for an environment where *creative abrasion* can occur. Creative abrasion is a process in which different approaches essentially *grate* against each other in a productive manner to create superior outcomes. In other words, creating an environment where constructive conflict can be created and channelled.

This requires strong ground rules to guide team members and ensure conflict is task or process-based rather than personal. Firms that increase team autonomy will benefit from the creativity and innovation that can emerge when control is loosened.

Key Steps: Promoting Superior Performance

This action area involves a series of key steps that will assist the organisation in promoting superior performance:

- Promoting team trust and interdependence
- Providing appropriate team training
- Fostering creative abrasion
- Increasing team autonomy

Other Toolkits

There are further strategies related to team structures, group behaviour and team management can be found in *Toolkit – Structuring Teams*.

Step six: Promote team trust and interdependence

The purpose

- To promote trust and interdependence
- To create a feeling of belonging
- To provide a foundation for improved performance

The process

- Provide diverse teams with more flexible deadlines
- Encourage the practice of positive reinforcement
- Provide opportunities for group social time

Providing diverse teams with more flexible deadlines

Diverse teams require additional time to develop trust and member interdependence. Trust and interdependence develop over time and through increased interaction, communication and contribution. For diverse teams trust and interdependence can take longer to emerge, as there is a tendency for these teams to face short-term group process problems. (See [Briefing Note: Diverse Teams Outperform Given Time](#)). Over time, however, diverse teams have been consistently shown to outperform homogenous teams. Innovation and creativity potential is enhanced where there is low level time pressure.

As such, managers/coaches of diverse work teams should:

- Allocate additional time prior to performance measurement
- Inform other managers that additional time is required
- Provide flexible short-term deadlines for output
- Reward teams for their improved functioning in the short-term, rather than outputs

Encouraging the practice of positive reinforcement

In any group environment, self-esteem is enhanced through positive reinforcement and constructive feedback. In a diverse team environment it is even more important to encourage and reward appropriate behaviour in a positive fashion.

Managers/coaches of diverse teams should seek to offer rewards that validate an individual's self-esteem:

- Ensure that those who do the rewarding are aware of team members reward preferences
- Do all members like public recognition in the form of *Employee of the Month* awards or signs on notice boards?
- Do some members prefer alternative recognition of their performance?
- Does the person prefer private or public recognition?

Providing opportunities for group social time

Trust and interdependence rely on both collaborative work time and positive group social time. The formation of friendships lays a strong foundation for collaborative and successful working relationships. Given difference can create communication barriers, diverse team should be provided with more opportunity for social time. Encouraging the formation of strong collegial bonds between team members can foster a focus on superordinate team goals and overcome many of the tendencies to form in-groups and out-groups.

- Allocate funds for team social time
- Provide respite from work time for social events
- Schedule social events for team members
- Schedule functions that consider members' non-work commitments
- Encourage members involvement in team member social outings
- Ensure that activities chosen suit all members e.g. does a Christmas party exclude some members?

Briefing notes

Diverse Teams Outperform Given Time

Diverse teams have been shown to repeatedly outperform homogenous teams. And, whilst diverse teams often encounter early-stage communication and conflict barriers, given time they produce higher quality solutions, better decision, and innovative ideas.

Considerable research has examined whether diversity in team or group composition improves performance, generally finding that when groups overcome the early-stage hurdles, information, ideas, and perspectives are shared more freely generating higher quality solutions and innovation.

A study by Ancona (1990) demonstrated that diversity in team composition might slow down progress in the short-term due to conflict and communication problems, but that diversity fostered speed and innovation over the whole development cycle. Cox and Blake's 1991 study of culturally heterogeneous groups provided evidence that diversity outperforms homogeneity. Kirchmeyer and Cohen (1992) identified the importance of *constructive conflict* that is nurtured in well-managed diverse teams. Engaging in constructive conflict meant that the validity and significance of decisions was enhanced, and those from minority ethnic groups participated more freely in discussions.

The value in diversity argument rests on the idea that the bringing together of different perspectives, ideas, and knowledge bases improves performance. Hoffman (1959) and Hoffman and Maier (1961) found that diverse groups produced higher quality solutions than homogenous groups because diversity leads to greater conflict of ideas, forcing heterogeneous teams to consider more alternatives. McLeod and Lobel (1992) and Watson, Kumar *et al* (1993) showed that ethnically diverse groups do not necessarily produce more responses to problems, but they generate more creative and higher quality solutions. The Watson *et al* study also demonstrated that time is an important factor in the success of diverse teams, finding that, at first, diverse teams encountered difficulty in developing appropriate routines. Over time, however, they outperformed homogenous teams.

McGrath's 1984 study also showed that diversity (informational) led to alternative decision-making perspectives, resulting in higher performance, where early stage conflict and communication problems were resolved. This idea found support in a study by O'Reilly, William and Barsade in 1997, who found higher quality solutions took time to emerge due to early stage difficulties in communication and the development of team routines, demonstrating the importance of appropriate, early-stage, team training and coaching.

Diverse teams need time to develop interdependence and trust which provide a strong foundation for communication, constructive conflict, risk-taking and creativity. It is important that appropriate time and training is provided for diverse teams to overcome early-stage problems, thereby allowing firms to harness the diversity dividend.

Step seven: Provide appropriate team training

The purpose

- To identify required team training
- To foster improved performance
- To improve individual and team outcomes
- To link training to strategic goals

The process

- Identify team training needs
- Provide training
- Evaluate training outcomes

Identifying team training needs

In conjunction with the team members and the team leader, managers should identify what specific training the team requires. The identification of training needs can come via team questionnaire, feedback mechanisms, or team requests. As diverse team may encounter some early-stage functioning problems, it may be appropriate to provide conflict and negotiation skills training at an early stage. This training would include information on the challenges of diversity, different styles of conflict, conflict resolution and negotiation styles.

Team training requirements will change over time, and it is important to ensure continuous training needs are met to provide an environment for high performance. Diversity should form an important part of any training delivered to team members, from OH&S issues to meeting skills.

Providing training

Following the identification of training needs, the training should be provided to the team. Delivery methods will vary, dependent on the type of training required, and the members of the team.

It is important to recognise the diversity of the team and provide training via methods that suit the members – some will prefer experiential methods, whilst others will have alternative preferences. Having an understanding of the team and its membership, allows managers to provide training or coaching, through the most appropriate means, whether that be by internal or external trainers.

Evaluating training outcomes

Evaluation of training outcomes is an important action for team members and managers. Details on evaluating training are included in Step four of this Toolkit.

Step eight: Foster creative abrasion

The purpose

- To promote innovation within the team
- To foster creative abrasion
- To promote constructive conflict

The process

- Appoint people who challenge the way others think
- Undertake personality testing
- Create 'whole-brain' teams
- Manage the creative process
- Develop and uphold strong ground rules
- Set aside convergent and divergent discussion time

Appointing people who challenge the way others think

One of the major benefits of workplace diversity is the different perspectives, ideas, knowledge bases and ways of seeing the world that come together. Harnessing this benefit represents one of the major values of diversity. Creative abrasion, or people creatively *grating* against each other, fosters innovation. (See *Briefing Note: Creative Abrasion*)

Managers/coaches assembling work teams should:

- Resist the common practice of appointing those who think and behave in the same way as other members, or the appointer
- Appoint people who challenge each other to encourage new perspectives
- Look for people who have different thinking patterns – they might be considered as outsiders who don't 'fit' the organisational culture

Undertaking personality inventories

Using established diagnostic tools allows managers/coaches or team members to learn how they, and others think. Creating understanding of different ways of thinking and approaches allows members to appreciate the value of alternative approaches. Well known tests include: *The Myers-Briggs Type Indicator* and the *Herrman Brain Dominance Instrument*. For more examples see [*Briefing Note: Personality Inventories*](#).

1. Engage appropriately trained personnel to administer tests

- Ensure those administering the tests have been trained to avoid a superficial understanding of the diagnostic tools
- Suitably trained personnel should explain the usefulness of the tool/s to team members
- Firms that seek the payoffs from creative abrasion must be prepared to pay for qualified personnel to administer tests

2. Engage trained personnel to interpret and explain test results

- Firms that pursue the benefits of creative abrasion should be prepared to invest in suitably qualified personnel to interpret and explain results
- It is not appropriate or useful for untrained personnel to interpret and explain results of these diagnostic instruments – results can be misinterpreted
- Suitably qualified and trained personnel can provide teams with information on the value of different personality styles and cognitive types

Create and manage 'whole-brain' teams

1. Manage the creative process constructively

To foster innovation teams should have diverse thinking styles. For example, *left-brain* thinking people are said to have an analytical, logical, sequential way of thinking about problems and problem-solving, while *right-brain* thinking people are seen as adopting an intuitive, values-based, non-linear approach to problems and problem-solving. A team whose goal is innovation should have a mix of left and right brain thinkers in, as this represents a *whole-brain approach* to problem framing and solving

Managers/coaches assembling work teams should:

- Ensure there are *left-hemisphere brain* and *right-hemisphere brain* people in the team.

Diversity in thinking styles can cause non-productive or personal conflict. Managers/coaches have an important part to play in managing the process constructively. Managers/coaches of diverse teams should:

- Ensure that team members acknowledge differences in thinking styles, perspectives, and ideas from the outset – use cognitive diagnostic tools
- Ensure that the end goal is clear and reinforced at all times

Developing and uphold strong ground rules

Given the acknowledged potential for conflict and communication difficulties in diversity groups, particularly during the *forming* and *norming* phases, it is important that ground rules are established.

The member of diverse work groups should:

- Ensure ground rules are clear, concise and understood by all

- Start each project outlining and developing the teams ground rules
- Remind team members of the rules at appropriate intervals e.g. at the start of a weekly meeting
- Ensure conflict does not become personal
- Ensure conflict remains task-focussed
- Understand different cognitive styles assists in depersonalising conflict

Useful ground rules aimed at fostering creative abrasion and superior performance may include:

- An agreement that all can disagree on the condition that they can provide a justifiable reason or explanation for the disagreement
- An understanding that every member has the right to object to the statements of others and all members have the obligation to hear them out before stating their own agreement or disagreement
- An effort should be made to investigate the assumptions that members hold
- Every member has the right to speak and have his or her ideas treated with respect

Setting aside convergent and divergent discussion time

Divergent discussion is time where imaginative or creative ideas are uncovered and explored. Convergent discussion is time where options are selected and implementation programmes are set out. A meeting without divergent time can be fruitless, as creative ideas are not given space to emerge and develop. A meeting without convergent time can result in a lack of outcomes.

When setting agendas, group facilitators should:

- Ensure time is allocated to both convergent and divergent discussion
- Ensure members with different ways of thinking are catered for and each is able to excel at different phases of team work e.g. left-brain thinkers will flourish during convergent time, and right-brain thinkers will excel during divergent time

Briefing notes

Creative Abrasion

The notion of conflict is essential to the innovation process. In a 1997 Harvard Business Review article, Leonard and Straus popularised the term 'creative abrasion'. Innovation, the authors argue, breeds in a space where 'different ideas, perceptions, and ways of processing and judging information collide'. The value of this diversity is the way in which these ideas, perceptions and ways of processing and judging information grate against each other to produce new ways of thinking and doing, and therefore, innovation.

As Leonard and Strauss say, 'the manager successful at fostering innovation figures out how to get different approaches to grate against each other in a productive process we call *creative abrasion*'.

To be creative and foster an environment for innovation, managers need to ensure individuals interact with those who support their way of thinking, and also those who challenge their way of thinking, their ideas, and perceptions. Creating an environment where individuals can engage in constructive conflict propels the creative and innovative process. The value of the team as a whole is in the diversity of talent, backgrounds, perspectives, expertise and so on.

Problems can occur when people don't understand or recognise the value of thinking differently and conflict becomes personal and the creative process stalls. But providing training and information on the value of difference can spark the process, as people become aware of the power of difference working together. Teaching people that constructive conflict fuels innovation, and personal conflict destroys it helps teams to reach and exceed their goals. Reframing what members mean by 'conflict' can help teams to work more productively.

See further:

Dorothy Leonard and Susaan Straus, Putting Your Company's Whole Brain to Work, published in *Harvard Business Review* July-August 1997, pp. 111-121.

Briefing notes

Personality Inventories (Tests)

There is a number of widely-used and recognised personality profiling inventories. The various personality tests aim to measure basic aspects of individuals personality (personality traits) or characteristics – how people think, introversion/extroversion, motivation, conceptual versus experiential thinking preferences and so on.

There has been debate for many years of the usefulness of tests in predicting, for example, the performance of job applicants over the long-term. However, these tests can be useful in identifying different ways that people think and provide a basis for the discussion of the value of diversity in teams. Done properly, personality or preference testing can be a valuable tool for promoting workplace diversity.

Common tests used by organisations include:

- IPAT Sixteen Personality Factor Questionnaire (16PF)
- Guilford-Zimmerman Temperament Survey
- Edwards Personal Preference Schedule
- FIRO-B
- California Psychological Inventory (CRI)
- Humm-Wadsworth Temperament Scale
- Kostick's Perception and Preference Inventory
- Gordon's Personal Profile Inventory
- Myers-Briggs Type Indicator (MBTI)

Firms that undertake personality inventories (tests) should ensure they comply with EEO and privacy legislation.

Step nine: Increase team autonomy

The purpose

- To increase team autonomy
- To increase team decision-making power
- To improve individual and team outcomes
- To enhance trust

The process

- Share information with team members
- Give teams more power over decisions
- Provide frequent feedback to individual members and team

Bringing together a diverse team will involve the amalgamation of people with different skills and experiences. It may involve employees with a range of hierarchical positions and functional backgrounds from across the organisation. Existing reporting structures and decision-making protocols may act to hamper the scope of the team's activities. Providing the team with the power to make decisions allows them to capitalise on their diversity and builds trust. Sharing information with the team represents a willingness to hand over some control to the team, and supports the development of trust.

Sharing information with team members

In determining information management needs and communication strategies, managers/coaches of diverse work teams should:

1. Consider what information is provided to the team now

- Are team members provided with relevant information?
- Are team members provided with financial data?
- Is the information sensitive?

- Are there reasons why team members cannot have the information?
- Is the information delivered in a format that is equally accessible by all members of the group?
 - Information access may be a key determinant of power structures within the group and act to undermine efforts to reduce hierarchy and improve ease of communication.

2. Restructure processes to ensure team members have timely and important information

- Can teams readily access information that is important to decision-making?
- Is it possible to make the information available via intranet?
 - This can be very important in situations where the groups is geographically dispersed or when particular group members do not have access to physical infrastructure e.g. home workers, part-time workers, physically disabled workers

Giving teams more power over decisions

In determining lines of reporting and decision-making protocols, managers/coaches of diverse work teams should:

1. Negotiate what areas teams can control

- Consider the diversity of skills, experiences and knowledge in the team:
 - Can the team have responsibility over their budget?
 - Can the team have responsibility for setting goals?
 - Can the team have control over scheduling?
 - Can the team request, organise or determine training needs?
 - Can the team have control over its own staffing?

2. Consider altering reporting mechanisms

- Are members reporting to the most appropriate person?
- Is the person they directly report to within or outside the team?
- Is there another person they could report to in order to improve the effectiveness of the team?
- Do they need to report as frequently?

3. Consider establishing self-directed work teams

- Are the members, working together, capable of directing their own work? If not, why?
- Is there training that could be provided to allow teams to be self-directed?

4. Clarify organisational and team mission and goals

- Ensure that members understand the organisational mission and goals
- Ensure that members and non-members understand the team mission and goals

5. Work with the team to establish rules and procedures

- In conjunction with the team, establish the rules guiding autonomy – what factors does the team have control over and which decisions are made by others?
- Determine what procedures will be used to support the teams autonomy e.g. who can hire members, who can submit purchase orders.
- Work together to establish the guidelines that support the decision-making power of the team.

Providing frequent feedback to individual members and the team

Constructive feedback improves the decision-making of team members and that managers/coaches are aware of issues and progress.

1. Consider a range of options for feedback

- Is daily feedback/coaching required for individuals?
- How frequently does the team need, and want, feedback?
- What mechanisms should be used?

2. Ensure feedback mechanisms are appropriate for members

- People have different preferences for how they receive feedback – be responsive to this

Introduction to the Employer of Choice Action Area

Employers of choice outperform competitors at attracting, developing and retaining high performers or high potential employees through the development of differentiating HRM practices.

Employers of choice also recognise and respond to the changes to labour market demographics to ensure they have access to the most talented people available. The influence of public listings of the *best place to work* is increasing, and firms who becoming employers of choice are better placed to glean the positive reputational effects that come with this public recognition.

Firms that seek employer of choice status while remaining homogenous will find they are recruiting from a narrow pool of candidates. Diversity management policies aim to improve the job satisfaction and job commitment of all employees. As such, they are a critical element of any employer of choice strategy.

The key to the long-term success of employer of choice programmes is the linking of employer of choice strategies to the bottom line.

Key Steps: Developing Employer of Choice Strategies

This action area involves a series of key steps that will assist the organisation in achieving employer of choice status:

- Recognising and respond to demographic changes in the labour market
- Being aware of decision factors for high performers and high potentials
- Developing innovative remuneration and benefits schemes
- Developing employer of choice programmes

Briefing notes

Employer of Choice Advantages

The main aim of adopting an employer of choice strategy is to locate, attract, optimise and retain the most talented employees in order to fulfil organisational goals. Employers of choice attract and retain talented staff, because employees *choose* to maintain their connection with the organisation. Firms that become employers of choice enjoy a competitive advantage in the labour market through differentiating themselves from others, usually through innovative HRM strategies, policies and practices.

In an article published in *Employment Relations Today* in 2001, Herman and Gioia identified the twelve main advantages that employers of choice reap:

- Reduced marketing and recruitment expenses
- Performance optimisation
- Reduced turnover and enhanced loyalty
- The bar is raised for potential employees
- Improved efficiency, effectiveness and profitability
- A waiting list of willing workers
- Reduced stress and more enjoyment for employees and employers
- Easier planning through continuity of personnel
- Increased attractiveness to investors
- Increased attractiveness to customers
- More efficient customer service
- The development of a more exciting workplace

These advantages form the basis of any business case that managers develop to pitch an employer of choice approach and are easily linked to bottom line outcomes.

Step ten: Recognise and respond to demographic changes in the labour market

The purpose

- To identify demographic changes in the labour market
- To develop responses to labour market changes
- To be representative of the labour market
- To increase attractiveness to highly talented current and prospective employees

The process

- Undertake labour market analysis
- Identify demographic trends in the labour market
- Develop strategies to respond to labour market changes

Undertaking labour market analysis

Firms need to have an understanding of the labour market, and the changes occurring in it. Firms, and recruitment managers especially, should recognise the changes in the supply of labour, and the increasing diversity of the labour pool.

DATA: The Australian Bureau of Statistics (ABS) (<http://www.abs.gov.au>) provides extensive data on demographic characteristics at various geographic levels. The Briefing Note-*The labour force* provides some illustrative examples. Such data may provide benchmark demographic profiles and demonstrate which segments of the labour market are underrepresented in the firm, or the talent pool the firm attracts.

NOTE: *Attract, Retain and Motivate: A Toolkit* contains extensive details for conducting a labour market analysis.

Identifying demographic trends in the labour market

Considerable change has occurred in the labour market. For example, the 'baby boomer' generation is nearing a mass retirement phase, there have been generational shifts in the proportion of women in the labour market, and people increasingly hold post-secondary qualifications. The Australian Bureau of Statistics (ABS) (<http://www.abs.gov.au>) has a wealth of information of trends in the labour market.

Firms should consider whether there are segments of the labour market that are not represented in their workforce, or recruitment pool.

NOTE: *Attract, Retain and Motivate: A Toolkit* provides details on issues and procedures for undertaking such an audit.

Developing strategies to respond to labour market changes

Firms that seek to develop employer of choice strategies recognise the changes in the labour market and develop strategies to respond to changes and the different expectations of a diverse labour market.

Step thirteen in this Toolkit provides information on developing employer of choice programmes, which aim to attract and retain highly talented staff.

Briefing notes

A snapshot of the Australian population

- 25% of the population born overseas
- 27% of Australian-born have at least one parent born overseas
- The Aboriginal and Torres Strait Islander population is approaching 400,000 and grows at a rate higher than non-indigenous population
- Over 200 languages are spoken in Australia
- 2.5 million people speak a language other than English at home
- The largest growth in religious affiliation have been in Hinduism, Buddhism, Islam and Judaism
- 15% of working age people and 19% of the population live with some form of disability
- 33% of people living with a severe or profound form of disability participate in the labour market
- Female labour market participation rates are increasing at the same time as male rates decline
- Partnering and family patterns have changed enormously over the past 30 years with increasing numbers of same sex partnerships and lone parent households
- 54% of wage and salary earners hold a post-school qualification The proportion of the population aged 65-plus has tripled in the last 100 years
- There are now more women than men in the Australian population

Source: ABS, 1995-2000 (various sources)

Step eleven: Be aware of decision factors of high performers and high potentials

The purpose

- To identify factors that inform work decisions of highly talented current and prospective employees
- To adopt internal and external practices that address these factors
- To determine the firm's employer of choice standing

The process

- Understand work decision factors
- Survey current and prospective staff
- Examine firm's internal and external practices
- Benchmark against other 'employers of choice'
- Develop tailored remuneration schemes

Understanding work decision factors

Highly talented current and prospective employees have considerable choice over where, and for whom they work, and also their decisions about whether to join, remain, or leave organisations. Studies have shown that these work decision are founded on a number of values and factors.

Managers should ensure they are familiar with work decision factors. Research has identified eight main factors valued by highly talented current and prospective employees, and which they seek in firms:

1. Recognition as market leaders
2. Strong sense of direction
3. Unique, or leading edge, human resource management practices that lead to 'employment branding'
4. Firms that emphasise career and technical training and development and provide ample opportunity for advancement

5. A culture and environment that places a premium on innovation and creativity
6. Competitive performance linked reward strategies
7. Innovative, individually designed benefits plans
8. A culture that is open, fair, and which values diversity and respect for individuals differences

Clearly, highly talented individuals look for firms that promote, accept and value diversity. Recognising that this is an important decision factor for individuals in job choice can provide some impetus for examining the firms approach to diversity management.

Surveying current and prospective highly talented employees

Employers of choice understand and respond to the needs, values and aspirations of talented workers. The eight identified values should be supplemented by a firm's own survey asking relevant questions such as:

- What do high performers want?
- What attracts them to organisations?
- What repels them from organisations?
- What reputation does the firm have in the labour market?
- Where can the firm improve?

Examining firm's internal and external practices

Managers should examine the firm's internal and external practices in light of the survey results and consideration of the eight main values above.

1. **Does the firm have the values that talented individual seek?**
 - If not, why not?
 - Are the means through which these deficiencies can be addressed?

2. Does the firm have values or characteristics that make it unattractive?

- What factors are they?
- How can these be addressed?
- What strategies can be developed to present more positive organisational qualities in the labour market?

3. What reputation does the firm have in the labour market?

- Is the reputation justified?
- Are there ways of addressing any poor reputation factors?
- If necessary, are there means by which to improve the labour market reputation?
- Are there means by which to publicise a positive reputation?
- Can the firm enter a large-scale or targeted marketing campaign?

4. How can the firm improve?

- Are there policies and practices that can be altered to improve the firm's attractiveness?
- For example, can incentives such as stock options be introduced?

Benchmark against other 'employers of choice'

Managers should seek out other firms to benchmark against.

- What are the industry leaders doing?
- Is there valuing in adopting similar practices?
- Is there a differentiating set of policies we should develop and promote?
- What are leaders in other industries doing?

- What are leaders in other economies doing?

Develop tailored remuneration schemes

Employers of choice develop innovative remuneration and benefits schemes. Whilst they pay competitive wages, they do not necessarily pay the highest, instead they offer attractive and personalised packages to organisational members.

1. Managers should develop a tailored approach to remuneration

- Determine whether there is scope to give individuals more control over how they are rewarded
- Develop a tailoring mentality where employees feel comfortable making choices about their own remuneration

2. Managers should consider if *cafeteria-style* benefits schemes are appropriate

- Offer a certain amount of funds that employees have control over matching to their individual needs
- Cafeteria-style schemes may include items such as:
 - Company shares
 - Additional leave
 - Health care costs
 - Sabbatical leave
 - Childcare
 - Education costs
 - A bank of development funds for the individual to access

Step twelve: Develop employer of choice programmes

The purpose

- To set employer of choice goals
- To develop employer of choice programmes
- To make the firm more attractive to potential and current employees

The process

- Set employer of choice goals
- Choose a 'headline' programme
- Prepare a business case
- Conduct an employer of choice assessment
- Identify possible solutions and prioritise
- Design, build, and implement solutions
- Implement solutions
- Measure and communicate success

Setting employer of choice goals

Examination of the labour market and key decision factors can assist firms in identifying internal or external problems, and provide the basis for goal setting.

1. Are there underrepresented groups?

- Does the labour market analysis show that the firm is missing segments of the labour market?
- Is there diversity in the talent that the firm attracts?

2. What reasons explain this underrepresentation?

- Did the examination of key decision factors and consideration of the firm's policies and practices uncover why certain segments of the labour market are underrepresented?
- Are there potentially discriminatory policies or practices?
- Does the firm have a reputation in the labour market amongst certain groups that makes it unattractive?

3. Set employer of choice goals

The aim of any employer of choice strategy is to attract and retain the most talented members of the labour market – whatever their personal characteristics. A lack of diversity can demonstrate that a firm is not throwing its net wide enough, therefore missing talented potential employees. Set goals that specifically relate to the employer of choice issues identified.

- If there is an under representation, is there means through which the firm can reach this sector or the labour market? *Attract, Retain and Motivate: A Toolkit* provides extensive information on how to broaden the recruitment pool.
- Is it suitable to introduce targeted recruitment for particular labour market groups to increase the diversity and talent of the firm?
- If the firm's reputation is not attractive to segments of the labour market are there steps that can be taken to change it?

Choosing a 'Headline' programme

If the firm is embarking on an employer of choice strategy it is wise to choose a healing project. Remember that a short-term success assists in getting 'buy-in' across the organisation. The programme will also be useful in promoting the organisation to prospective employees so it may be wise to choose one particular area or programme which will be

seen as attractive to candidates and reflects the desire image of the firm.

1. Choose a clear-cut success story

- For the first employer of choice programme pick an 'easy winner'
- Select a programme with an easily identifiable bottom line benefit
- Choose a programme that will generate results quickly
- Choose a scheme with an easily generated business case e.g. a programme to retain and advance talented women in a firm with high female turnover rates

Preparing a business case for the programme(s)

The employer of choice programme business case considers workforce requirements and availability, competitive trends, employer of choice effects, decision points, and key questions to determine the appropriateness of the programme or strategy. The business case contains three main sections:

1. Trends affecting the firm's ability to attract, develop and retain talented staff

- What factors affect the firm's ability to attract desirable staff?
- What factors impact on the firm's ability to develop high performers and high potentials satisfactorily?
- What factors impede the firm's ability to retain talented staff?

2. The impact of the employer of choice programme for the organisation

- What effects will the programme have on employer of choice status?
- How will the programme affect the organisation's reputation?
- What impact will being an employer of choice have on recruitment and retention of talented staff?

3. Changes required to the firm's programmes, policies and practices

- What changes need to be made to HRM programmes, policies and practices to implement the programme?
- How are these changes to be implemented?
- What effect will they have?

Conducting an employer of choice assessment

- 1. Review external workforce expectations**
- 2. Review current workforce commitment**
- 3. Review current HRM programmes and their infrastructure**
- 4. Review current HRM staff and technology**
- 5. Develop an action plan**
- 6. Set out implementation strategy**

Identifying possible solutions and prioritising

- 1. Managers should identify possible solutions to issues raised in the employer of choice assessment**
 - Are there new HR practices that can be implemented?

- Are there innovative methods via which the organisation can meet expectations of potential and current staff?

2. Managers should develop a priority plan for issues arising from the employer of choice assessment

- Managers should determine which are the most important programmes or solutions by considering the strategic goals of the organisation
- Managers should develop a priority list and timetable for the implementation of programmes

Designing, building and implementing solutions

In conjunction with relevant personnel, managers should design, build and implement the employer of choice solutions. Managers should:

- Seek input from relevant personnel in designing employer of choice programmes e.g. union representatives, finance, marketing or promotions
- Develop the programmes in conjunction with a cross-functional team of stakeholders e.g. senior management, HR staff, marketing, union representatives
- Implement the programme following the procedures outlined in the 'Headline Programme' section of this step

Measure and communicate success

A key to the longevity of employer of choice programmes is the clear linking of schemes to the bottom line. Success can be measured in many ways. For example; lower turnover rates, increased applications from particular labour market groups, or the firm wins an employer of choice award. It is important to measure the success of programmes and communicate them internally and externally.

- Establish metrics to be used
- Measure outcomes against goals of programmes

- Communicate the results of employer of choice programmes internally
- Communicate success stories externally